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THE DIRECTOR OF CENTRAL INTELLIGENCE

WASHINGTON, D. C. 20505

National Intelligence Officers

23 June 1980
NFAC 4448-80✓
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to RL

MEMORANDUM FOR: Director of Central Intelligence
Deputy Director of Central Intelligence

VIA : Deputy Director for National Foreign Assessment
National Intelligence Officer for Warning

FROM : Joe L. Zaring
National Intelligence Officer for Western Europe

SUBJECT : Monthly Warning Assessment: Western Europe

TURKEY

1. Whether or not Demirel survives or resigns before a vote of confidence that could take place in the next few days, the political situation will remain grave. Violence among extremist elements has taken a still more ugly turn with the more frequent targetting of political figures in recent weeks, and a further upsurge in assassinations of prominent leaders could provoke the more general violence that would compel the military to intervene. If Demirel's government falls, its replacement -- difficult at best given the parliamentary arithmetic -- could also be complicated by the prolonged stalemate over the presidential succession. If he survives, Demirel will continue trying to set the stage for early elections this fall -- although it is difficult to see how a campaign could be conducted in the present violent atmosphere. Military leaders still seem hesitant to be seen to be "taking over", but their patience is not unlimited.

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ITALY

2. Following local and regional elections early this month, the Cossiga government looks likely to survive until the autumn. In the three largest parties, the Christian Democrats' left wing will likely continue to press the right, if cautiously, to open a dialogue with the Communists; the PCI will probably persist in its "soft opposition," easing both its conditions for cooperation with the government and its campaign rhetoric against

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the US; the Socialists will try to consolidate their considerable gains with a view to a Craxi prime ministership, perhaps next spring. The fence-mending and political maneuvering we expect in coming months will not help Italy's serious economic difficulties, which are likely to come to a head in the fall and could be the immediate cause of Cossiga's downfall.

CHANCELLOR SCHMIDT'S TRIP TO MOSCOW

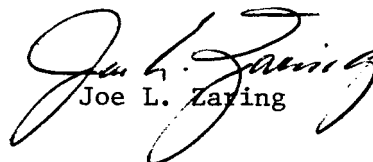
3. Schmidt does not expect to reach substantial agreement with Soviet leaders on the range of international issues they will discuss, but he nevertheless believes it important -- not only for domestic political reasons -- to keep open his lines of communication with Moscow. Schmidt intends to make clear his opposition to the Soviet invasion of Afghanistan, and to reiterate NATO's December decision on TNF modernization. He may hope his proposal that neither side deploy new theater nuclear forces for three years and that both negotiate in the meantime on TNF arms control, will prod the Soviets to accept such negotiations even without the ratification of SALT II, but he has no latitude to accept a Soviet offer that would infringe the December decision.

EUROPEAN COMMUNITY

4. The European Council's statement on the Middle East is not likely to result in early new moves that would directly undermine the Camp David process -- in fact, paradoxically, the prospect of a new European initiative could make several governments more wary of abandoning that framework. Other issues facing the Community -- the need for agricultural policy reform and the question of how to absorb Greece, Spain, and Portugal -- are equally intractable and will create a somber mood in Europe for some time.

SPAIN AND NATO

5. Foreign Minister Oreja's announcement that Spain will consider joining NATO next year -- provided that negotiations go forward on EC membership and that the Gibraltar question can be resolved -- signals that the Spanish will work hard to overcome French and British resistance on these two issues. The Spanish government, already likely to bargain hard in base negotiations scheduled to begin this fall, will try to use the prospect of its NATO membership to win significant concessions from the US.


Joe L. Zaring

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